



BILLING CODE 6717-01-P
DEPARTMENT OF ENERGY
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Neil Chatterjee,
Robert F. Powelson, and Richard Glick.

CinCap V, LLC	Docket Nos. ER10-1325-008
Duke Energy Beckjord, LLC	ER17-1968-000
Duke Energy Carolinas, LLC	ER17-1967-000
Duke Energy Commercial Enterprises, Inc.	ER17-1970-000
Duke Energy Florida, LLC	ER17-1971-000
Duke Energy Progress, LLC	ER17-1964-000
Duke Energy Renewable Services, LLC	ER17-1972-000
Duke Energy SAM, LLC	ER17-1973-000
Louisville Gas and Electric Company	ER10-1511-007
Kentucky Utilities Company	ER10-2231-006
LG&E Energy Marketing Inc.	ER10-1714-009
Florida Power & Light Company	ER10-1852-017
Live Oak Solar, LLC	ER16-1354-003
NextEra Energy Marketing, LLC	ER17-838-001
NEPM II, LLC	ER11-4462-026
River Bend Solar, LLC	ER16-1913-002
White Oak Solar, LLC	ER16-1293-003
White Pine Solar, LLC	ER16-1277-003
South Carolina Electric & Gas Company	ER10-2498-004
Alabama Power Company	ER10-2881-031
Southern Power Company	ER10-2882-033
Mississippi Power Company	ER10-2883-031
Georgia Power Company	ER10-2884-031
Gulf Power Company	ER10-2885-031
Oleander Power Project, Limited Partnership	ER10-2641-030
Southern Company-Florida, LLC	ER10-2663-031
Mankato Energy Center, LLC	ER10-1874-005
Tampa Electric Company	ER10-1437-006

ORDER ACCEPTING SIMULTANEOUS TRANSMISSION IMPORT LIMIT
VALUES FOR THE SOUTHEAST REGION AND PROVIDING CLARIFICATION
ON SIMULTANEOUS TRANSMISSION IMPORT LIMIT STUDIES

1. In June 2017,¹ CinCap V, LLC, Duke Energy Beckjord, LLC, Duke Energy Carolinas, LLC, Duke Energy Commercial Enterprises, Inc., Duke Energy Florida, LLC, Duke Energy Progress, LLC, Duke Energy Renewable Services, LLC, Duke Energy SAM, LLC; Louisville Gas and Electric Company, Kentucky Utilities Company, LG&E Energy Marketing Inc.; Florida Power & Light Company, Live Oak Solar, LLC, NextEra Energy Marketing, LLC, NEPM II, LLC, River Bend Solar, LLC, White Oak Solar, LLC, White Pine Solar, LLC; South Carolina Electric & Gas Company; Southern Company Services, Inc. (Southern Company), acting as agent for Alabama Power Company, Southern Power Company, Mississippi Power Company, Georgia Power Company, Gulf Power Company, and their affiliates, Oleander Power Project, Limited Partnership, Southern Company - Florida LLC, Mankato Energy Center, LLC; and Tampa Electric Company (collectively, the Southeast Transmission Owners) submitted updated market power analyses for the Southeast region in accordance with the regional reporting schedule.² The Southeast Transmission Owners included Simultaneous Transmission Import Limit (SIL) values for the December 2014 - November 2015 study period for balancing authority areas in the Southeast region.

2. In this order, the Commission accepts the SIL values identified in Appendix A (Commission-accepted SIL values). These Commission-accepted SIL values will be used by the Commission to analyze updated market power analyses submitted by transmission owners for the Southeast region as well as any updated market power

¹ We note that some of the Southeast Transmission Owners submitted amendments to their filings.

² See *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252, at P 882, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268, *clarified*, 124 FERC ¶ 61,055, *order on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010), *aff'd sub nom. Montana Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011), *cert. denied*, 133 S. Ct. 26 (2012). See also *Refinements to Policies and Procedures for Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 816, FERC Stats. & Regs. ¶ 31,374, at P 353 (2015), *order on reh'g*, Order No. 816-A, FERC Stats. & Regs. ¶ 31,382 (2016).

analyses filed by non-transmission owning sellers in the Southeast region for this study period. SIL studies are used as a basis for calculating import capability to serve load in the relevant geographic market when performing market power analyses. SIL values quantify a study area's simultaneous import capability from its aggregated first-tier area. The values accepted herein are based on SIL studies submitted by the Southeast Transmission Owners with their updated market power analyses. The Southeast Transmission Owners' updated market power analyses themselves, including any responsive pleadings, are being addressed in separate orders in the relevant dockets.

3. We note that other transmission owners in the Southeast region also submitted updated market power analyses. The updated market power analyses for those transmission owners have been or will be addressed in separate orders in the relevant dockets.³

4. Additionally in this order, we provide clarification on the calculation of SIL values.

I. Background

5. In Order No. 697, the Commission adopted a regional filing schedule for filing updated market power analyses.⁴ The Commission explained that the transmission-owning utilities have the information necessary to perform SIL studies and therefore determined that such utilities would be required to file their updated market power analyses in advance of other entities in each region.⁵

6. In addition to providing SIL studies for their respective balancing authority areas, the Southeast Transmission Owners provided SIL studies for their respective first-tier balancing authority areas. Specifically, SIL studies were submitted for the following balancing authority areas that, collectively, are first-tier to the Southeast Transmission Owners: City of Tallahassee, Jacksonville Electric Authority, Midcontinent Independent System Operator, Inc. (MISO),⁶ PowerSouth Energy Cooperative, South Carolina Public Service Authority (Santee Cooper), Seminole Electric Cooperative, and the Tennessee

³ See, e.g., *Alcoa Power Generating Inc.*, Docket No. ER10-3069-007 (Dec. 1, 2017) (delegated order).

⁴ Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 882.

⁵ *Id.* P 889.

⁶ This order does not address SIL values for the MISO market. The SIL values for the MISO market are addressed in a separate order. *Entergy Arkansas, Inc.*, Docket No. ER10-1763-003 (Apr. 11, 2018) (delegated order).

Valley Authority.

II. Discussion

7. We begin by commending the Southeast Transmission Owners for coordinating the preparation of their SIL studies. Such coordination leads to more accurate and consistent SIL study results. The SIL values we accept herein are based on calculations by the Southeast Transmission Owners.

8. These calculations resulted in a few cases where there were conflicting SIL values for certain Florida balancing authority areas.⁷ In those cases, we have selected the values submitted by the Tampa Electric Company.⁸

9. The Southeast Transmission Owners generally performed their SIL studies correctly. However, the review of these filings, as well as the review of filings for other regions, leads the Commission to conclude that it is appropriate to remind sellers of its expectations, and provide clarification, with respect to the calculation of SIL values. As the Commission has previously stated, each transmission owner should utilize the methodologies outlined in its Commission-approved Open Access Transmission Tariff (OATT) to calculate its simultaneous import capability that would have been available to suppliers in surrounding first-tier markets during each seasonal peak.⁹ The Commission has stated that transfer capability should also include any other limits (such as stability, voltage, capacity benefit margin (CBM), transmission reserve margin (TRM)) as defined in the OATT and that existed during each seasonal peak.¹⁰ In addition, the Commission has stated that the transmission owner must utilize the Open Access Same-Time Information System (OASIS) practices consistent with the administration of its tariff.¹¹ The Commission has clarified that the term “OASIS practices” refers to the operating practices historically used by the first-tier and study area transmission providers to calculate and post available transfer capability (ATC) and to evaluate requests for firm

⁷ Conflicting SIL values were submitted for the Florida Power & Light Company, Duke Energy Florida, and the Jacksonville Electric Authority balancing authority areas.

⁸ Tampa Electric Company’s SIL study utilized case studies based on models provided by the Florida Reliability Coordinating Council.

⁹ *AEP Power Marketing, Inc.*, 107 FERC ¶ 61,018, at P 84, *order on reh’g*, 108 FERC ¶ 61,026 (2004).

¹⁰ *Id.*

¹¹ Order No. 816, FERC Stats. & Regs. ¶ 31,374 at 154.

transmission service.¹² The Commission has specified that the SIL study should not deviate from and must reasonably reflect the seller's OASIS operating practices.¹³ The Commission emphasizes here that each transmission owner's SIL values must reflect TRM and CBM in the same manner as utilized to calculate and post ATC and to evaluate requests for firm transmission service.¹⁴

10. The Commission will use the Commission-accepted SIL values identified in Appendix A when reviewing the pending updated market power analyses submitted by transmission owners in the Southeast region as well as any updated market power analyses filed by non-transmission owning sellers in the Southeast region for this study period. Future filers submitting screens for the balancing authority areas and study period identified in Appendix A are encouraged to use these Commission-accepted SIL values. In the alternative, a filer may propose different SIL values provided that the filer's accompanying SIL studies comply with Commission directives and that the filer fully supports the values used and explains why the Commission should consider a different SIL value for a particular study area other than the Commission-accepted SIL values provided in Appendix A. In the event that the results¹⁵ for one or more of a particular seller's screens differ if the seller-supplied SIL value is used instead of the Commission-accepted SIL value, the order on that particular filing will examine the seller-supplied SIL study and address whether the seller-supplied SIL value is acceptable. However, when the overall results of the screens would be unchanged, i.e., the seller would pass using either set of SIL values or fail using either set of SIL values, the Commission-accepted SIL values found in Appendix A will be used and the order would not address the seller-supplied SIL values.

¹² *Id.*

¹³ Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 354.

¹⁴ The SIL values that Southern Company derived in its January 16, 2018 sensitivity analysis for the Southern Company balancing authority area are consistent with the clarification provided in this order and therefore are the SIL values accepted by the Commission.

¹⁵ Results refer to the results of the market share and/or pivotal supplier screens. For example, if a seller fails the market share screen for a particular season in a particular market using either SIL value, we would consider the result unchanged. Similarly, if the seller passes the screen using either value, the result is also unchanged.

The Commission orders:

(A) The specific Commission-accepted SIL values identified in Appendix A to this order are hereby accepted for purposes of analyzing updated market power analyses for the Southeast region, as discussed in the body of this order.

(B) The Secretary is hereby directed to publish a copy of this order in the *Federal Register*.

By the Commission. Chairman McIntyre is not participating.

Issued: May 1, 2018.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

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